

Message Text

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46

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-15

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E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: ENERGY: B.C. HYDRO GETS NEW EXPORT LICENCES

1. THE NATIONAL ENERGY BOARD ISSUED FIVE LICENCES ON JUNE 27 TO THE BRITISH COLUMBIA HYDRO AND POWER AUTHORITY ALLOWING THE CORPORATION TO CONTINUE EXPORTING ELECTRIC POWER AND ENERGY FOR A PERIOD OF FOUR YEARS AND THREE MONTHS, FROM JULY 1, 1975 TO SEPTEMBER 30, 1979. THREE OF THE LICENCES AUTHORIZE EXPORTS OF SURPLUS ENERGY, WHILE THE OTHER TWO ALLOW ONLY CARRIER TRANSFERS OF POWER FOR SIMULTANEOUS RETURN TO CANADA.

2. THE TERMS AND CONDITIONS OF THE FIVE LICENCES ARE AS FOLLOWS:

A. FIRM POWER TO POINT ROBERTS. THIS LICENCE AUTHORIZES THE EXPORT AND SALE OF 6,000 KILOWATTS OF FIRM POWER AND 25 MILLION KILOWATTHOURS OF ENERGY ANNUALLY TO THE POINT ROBERTS SERVICE AREA OF PUGET SOUND AND LIGHT COMPANY. THE INITIAL MONTHLY PRICE FOR THE FIRM POWER WILL BE \$3.70 PER KILOWATT FOR THE FIRST 2,000 KILOWATTS AND \$4.25 PER KILOWATT FOR THE BALANCE. THE MONTHLY PRICE FOR THE ENERGY IS SET AT 8.5 MILLS PER KILOWATTHOUR FOR THE FIRST 400,000 KILOWATTHOURS AND 5.5 MILLS
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PER KILOWATTHOUR FOR THE BALANCE.

B. CARRIER TRANSFER. THIS LICENCE AUTHORIZES THE EXPORT OF POWER AS A CARRIER TRANSFER FOR WHEELING THROUGH THE SYSTEM OF BONNEVILLE POWER ADMINISTRATION IN THE UNITED STATES AND SIMULTANEOUS RETURN TO CANADA AT ANOTHER LOCATION. WHEELING COULD BE IN EITHER DIRECTION BETWEEN THE MAIN AND EAST KOOTENAY SYSTEMS OF B.C. HYDRO. EXPORTS OF UP TO 1,500 GIGAWATTHOURS IN 1975-76 AND 1,000 GIGAWATTHOURS IN ANY OTHER YEAR WILL BE PERMITTED UNDER THIS LICENCE.

C. LOOP POWER FLOW. THIS LICENCE IS TO ALLOW FOR THE INADVERTENT CIRCULATION OF POWER AROUND THE LOOP CIRCUIT FORMED BY THE SEVERAL INTERCONNECTIONS BETWEEN SYSTEMS IN BRITISH COLUMBIA AND THE UNITED STATES. THE MAXIMUM QUANTITY OF ENERGY THAT CAN BE TRANSMITTED UNDER THIS LICENCE IS 800 GIGAWATTHOURS ANNUALLY.

D. SHORT-TERM FIRM POWER. THIS LICENCE AUTHORIZES THE EXPORT OF SHORT-TERM BLOCKS OF FIRM POWER TO THE BONNEVILLE POWER ADMINISTRATION AND INTERCONNECTED UTILITIES IN THE UNITED STATES. THE MAXIMUM QUANTITY OF ENERGY THAT MAY BE EXPORTED IN ANY WATER YEAR (OCTOBER 1 TO SEPTEMBER 30) IS 2,000 GIGAWATTHOURS OR 65 PER CENT OF THE ENERGY SURPLUS AVAILABLE ON THE B.C. HYDRO POWER SYSTEM DURING THAT PERIOD. THE PRICE TO BE CHARGED MUST BE GREATER THAN WOULD BE OBTAINABLE FOR THE SALE OF INTERRUPTIBLE ENERGY AND MUST INCLUDE A DEMAND CHARGE PER MEGAWATT OF CAPACITY COMMITTED. EACH INDIVIDUAL TRANSACTION IS SUBJECT TO THE PRIOR APPROVAL OF THE BOARD.

E. INTERRUPTIBLE ENERGY. THIS LICENCE AUTHORIZES THE EXPORT OF INTERRUPTIBLE ENERGY AS AND WHEN IT IS AVAILABLE, UP TO A MAXIMUM OF 3,400 GIGAWATTHOURS IN 1974-75, 3,600 IN 1975-76, 7,200 IN 1976-77, 6,400 IN 1977-78 AND 4,800 IN 1978-79. IN EACH CASE THE AMOUNT OF ENERGY UNDER THE LICENCE FOR SHORT-TERM FIRM POWER IS TO BE DEDUCTED FROM THE ALLOWANCE. THE EXPORT PRICE VARIES ACCORDING TO WHETHER THE ENERGY EXPORTED IS GENERATED FROM HYDRO OR THERMAL SOURCES. THE LICENCE STIPULATES THAT NO EXPORTS OF ENERGY GENERATED FROM NATURAL GAS WILL BE ALLOWED AFTER OCTOBER 31, 1975 UNLESS WITH PRIOR APPROVAL OF THE BOARD.

3. B.C. HYDRO HAS BEEN EXPORTING POWER AND ENERGY UNDER LICENCES
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GRANTED IN 1969. THEY WERE DUE TO EXPIRE IN JUNE 1974 BUT WERE EXTENDED AT THE CORPORATION'S REQUEST TO JUNE 30, 1975. THE APPLICATION TO RENEW THESE LICENCES WAS HEARD PUBLICLY BY THE NATIONAL ENERGY BOARD IN VANCOUVER ON APRIL 3 AND 4, 1975. THERE WAS NO INTERVENTION AT THE HEARING. ALL ENERGY LICENCED FOR SALE TO THE UNITED STATES IS SURPLUS TO CANADIAN REQUIREMENTS. B.C. HYDRO WILL BE REQUIRED TO FILE MONTHLY REPORTS WITH THE BOARD, PROVIDING INFORMATION ON ACTUAL EXPORTS, RATES, REVENUES

AND IMPORTS.

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